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Unravelling

It was another tough week for Dalton McGuinty on the energy file. First the European Union jumped on board the effort to force the Ontario government to open its renewable energy market to international suppliers.

McGuinty understood all along that if his dream of wind turbines on every horizon and solar panels on every pasture was to take root, he needed to promise jobs. Lots of jobs. He would call them green jobs.

He understood as well that these jobs had to be more than just a few weeks of bolting together components manufactured somewhere else. So he tried to kickstart a provincial wind and solar component sector. He did this by restricting the amount of foreign content (both goods and services) that could go into projects under his government's FIT (feed-in tariff) program. Under his decree 60 per cent of the content of a solar project must be made up of domestic products and services by next year—50 per cent for wind projects.

These restrictions were in direct violation of world trade organization (WTO) rules, and McGuinty knew it. But he gambled that by the time the court heard any appeal a homegrown industry would have developed— ready to compete toe to toe with the world.

It didn't happen. Nervous about shifting ground rules and manic management of the energy file in general, investment capital largely stayed away. Frustrated by the lack of action McGuinty jumped into bed with Korean industrial giant Samsung—promising billions of taxpayer dollars if they would please, please build windmills and solar panels in Ontario.

Desperate people make bad deals. It will take hundreds of millions of dollars for the next government to unwind the province from this arrangement.

In the meantime, first Japan and now the EU have launched appeals to overturn McGuinty's indefensible protectionist tactics. Appeals they will win. McGuinty is running out of time. This folly too, and the cost of defending it, will end up on your electricity bill.

But matters got worse last week in an Ontario Energy Board hearing when Hydro One asked the regulator for a six-month exemption from meeting deadlines for assessing and

connecting small renewable-energy projects. Nearly all of these are small solar home and farm-based projects.

Currently the province has received nearly 35,000 applications for small renewable projects (10 kilowatts or less)—22,821 have received conditional offers. But only 6,780, or less than a third, have executed contracts—meaning they are generating electricity into the grid and earning revenue. Tens of thousands of folks have been left hanging. Many have spent \$100,000 or more on solar panel installations believing they had a deal. But with each delay their prospects of ever getting connected to the grid grow dimmer.

They should not have been surprised.

The fundamental hurdle with solar and wind energy is that it is intermittent and cannot be harnessed. It is a supply source that cannot be turned up or down to match demand. Electricity cannot be stored in grid scale amounts—so it must be produced when it is needed.

Nothing in our 60-year-old electricity grid is designed or equipped to manage generating sources that are pumping out electricity at 100 per cent one moment, zero another and 33 per cent the next. It is a physical and technical hurdle that had to be addressed first—before we squandered families’ nest eggs and added billions of wasted dollars onto our electricity bills.

Then this week we learned that McGuinty knew all along that the noise from industrial wind turbines would have adverse effects on residents nearby— even those 550 metres away as prescribed by the Green Energy Act. This fact was revealed in a memo between Ministry of Environment officials last spring (See page 14). The document only came to light as a result of a freedom of information request.

Bit by bit the blind ambition McGuinty brought to the energy file is unravelling at his feet. The bureaucrats who once acquiesced to the premier’s wishes despite their better judgment—are now sitting on their hands. They are waiting for the self-destruction to be complete—waiting for the electorate to deal with the McGuinty government in October.

The wacky decision-making may end in October but the bills for nearly a decade of mismanagement of Ontario’s electricity grid will pile up for years to come. McGuinty’s enduring legacy.

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